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From: McLerran, Dennis
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Administrator:

Only two items this week:

Non-Responsive

2) Shell OCS Permitting. I and my water permitting staff met with Pete Slaiby from Shell last week on permitting issues for both their draft geotechnical investigation permit and regarding possible modifications to the Outer Continental Shelf exploratory drilling general permit. I have briefed Lisa Feldt in more detail but Shell has concerns with some of the draft permit terms such as whaling season closure dates and monitoring requirements. We had a good discussion regarding differences in how we and they read some of the permit language. Shell brought along a bevy of experts with them and we had a good and frank discussion.

Not unlike the situation with their air permits, Shell continues to shift what they may need permit coverage for. They have a new "mud cellar" construction technique in mind which may or may not be covered by the current permit. The "mud cellar" is an area that must be scooped out of the sea floor prior to drilling to allow placement of the blowout preventer. The new technique would be considerably less expensive and efficient. We agreed to further discussions on this. Shell will be returning to the arctic for drilling in 2015 but made it clear that permit terms could be a barrier to that. We will keep Lisa Feldt in the loop so you and Bob P will be kept informed.

Dennis McLerran